

Coverage for Insured's "Covered Property"

There is no coverage for damage to the insured Covered Property, as the property has not suffered any direct

physical loss or damage by a Covered Cause of Loss. The Coronavirus, which is considered a virus or bacteria,

is excluded as a Covered Cause of Loss.

Language in the CP Forms, specifically CP0010 (Building and Personal Property Coverage Form) and CP1030 (Causes of Loss Form), state the following:

CP0010 - Building and Personal Property Coverage Form

☒ "We will pay for direct physical loss of or damage to Covered Property at the premises described in the Declarations caused by or resulting from any Covered Cause of Loss."

CP1030 - Causes of Loss Form - Special

Policy exclusions that would affect coverage include, but are not limited to:

☒ Governmental Action exclusion – Seizure or destruction of property by order of governmental authority

☒ Ordinance or Law – Regulating use

☒ Bacteria exclusion

☒ Virus or Bacteria exclusion endorsements (CP 01 40)

☒ Bacteria exclusion

BPM P 1 - Businessowners Coverage Form

☒ Language in the BPM Form states: "We will pay for direct physical loss of or damage to Covered Property

at the premises described in the Declarations caused by or resulting from any Covered Cause of Loss."

☒ Policy exclusions that would affect coverage include, but are not limited to:

o Governmental Action exclusion – Seizure or destruction of property by order of governmental authority.

o Ordinance or Law – Regulating use

Coverage for Business Income or Extra Expense (if an insured business is shut down because of the Coronavirus)

There is no coverage for Business Income or Extra Expense as there is no direct physical loss of or damage to

property by a Covered Cause of Loss. The Coronavirus (virus or bacteria) is excluded as a Covered Cause of

Loss.

Language in the CP0030 and BPM P 1 policy under Business Income and Extra Expense has the same language as outlined directly below:

☒ “We will pay for the actual loss of Business Income you sustain due to the necessary suspension of your ‘operations’ during the ‘period of restoration’. The suspension must be caused by direct physical loss of or damage to property at the described premises. The loss or damage must be caused by or result from a “Covered Cause of Loss.”

☒ Since there is no direct physical loss of or damage to property, by a Covered Cause of Loss, the following Additional Coverages would not apply:

- o Business Income
- o Extra Expense

Coverage for Business Income or Extra Expense under Civil Authority and Business Income from Dependent Properties (if the insured submits a claim because of the Coronavirus)

There is no coverage for Business Income or Extra Expense as there is no direct physical loss of or damage to

property by a Covered Cause of Loss. The Coronavirus (virus or bacteria) is excluded as a Covered Cause of

Loss.

Language in the CP0030 and CP0032 and BPM P 1 policies under Civil Authority, each has the same language as outlined directly below.

☒ “We will pay for the actual loss of Business Income you sustain, and necessary Extra Expense caused by action of civil authority that prohibits access to the described premises due to direct physical loss of or damage to property, other than at the described premises, caused by or resulting from any Covered Cause of Loss.”

Regarding Dependent Properties, the BPM P 1 outlines the same language as outlined for the Civil Authority.

Thus, with no direct physical damage, there is no Business Income or Extra Expense claim. The CP0030 and

CP0032 do not contain coverage for Dependent Properties and must be added by a separate endorsement.